



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB2855

by Rep. Arthur Turner

SYNOPSIS AS INTRODUCED:

230 ILCS 40/20
230 ILCS 40/25

Amends the Video Gaming Act. Increases the maximum wager played per hand to \$4 (rather than \$2). Increases the maximum cash award for a wager on any individual hand to \$1,199 (rather than \$500). Adds a maximum cash award for the maximum wager on a jackpot, progressive or otherwise, of \$10,000. Allows a licensed establishment, licensed truck stop establishment, licensed veterans establishment, or licensed fraternal establishment that operates 5 video gaming terminals and averages \$175 or more per day on those terminals, to apply to the Board for permission to operate a 6th video gaming terminal. Effective immediately.

LRB100 08797 MJP 18936 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Video Gaming Act is amended by changing
5 Sections 20 and 25 as follows:

6 (230 ILCS 40/20)

7 Sec. 20. Direct dispensing of receipt tickets only. A video
8 gaming terminal may not directly dispense coins, cash, tokens,
9 or any other article of exchange or value except for receipt
10 tickets. Tickets shall be dispensed by pressing the ticket
11 dispensing button on the video gaming terminal at the end of
12 one's turn or play. The ticket shall indicate the total amount
13 of credits and the cash award, the time of day in a 24-hour
14 format showing hours and minutes, the date, the terminal serial
15 number, the sequential number of the ticket, and an encrypted
16 validation number from which the validity of the prize may be
17 determined. The player shall turn in this ticket to the
18 appropriate person at the licensed establishment, licensed
19 truck stop establishment, licensed fraternal establishment, or
20 licensed veterans establishment to receive the cash award. The
21 cost of the credit shall be one cent, 5 cents, 10 cents, or 25
22 cents, and the maximum wager played per hand shall not exceed
23 \$4 ~~\$2~~. No cash award for the maximum wager on any individual

1 hand shall exceed \$1,199 ~~\$500~~. No cash award for the maximum
2 wager on a jackpot, progressive or otherwise, shall exceed
3 \$10,000.

4 (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

5 (230 ILCS 40/25)

6 Sec. 25. Restriction of licensees.

7 (a) Manufacturer. A person may not be licensed as a
8 manufacturer of a video gaming terminal in Illinois unless the
9 person has a valid manufacturer's license issued under this
10 Act. A manufacturer may only sell video gaming terminals for
11 use in Illinois to persons having a valid distributor's
12 license.

13 (b) Distributor. A person may not sell, distribute, or
14 lease or market a video gaming terminal in Illinois unless the
15 person has a valid distributor's license issued under this Act.
16 A distributor may only sell video gaming terminals for use in
17 Illinois to persons having a valid distributor's or terminal
18 operator's license.

19 (c) Terminal operator. A person may not own, maintain, or
20 place a video gaming terminal unless he has a valid terminal
21 operator's license issued under this Act. A terminal operator
22 may only place video gaming terminals for use in Illinois in
23 licensed establishments, licensed truck stop establishments,
24 licensed fraternal establishments, and licensed veterans
25 establishments. No terminal operator may give anything of

1 value, including but not limited to a loan or financing
2 arrangement, to a licensed establishment, licensed truck stop
3 establishment, licensed fraternal establishment, or licensed
4 veterans establishment as any incentive or inducement to locate
5 video terminals in that establishment. Of the after-tax profits
6 from a video gaming terminal, 50% shall be paid to the terminal
7 operator and 50% shall be paid to the licensed establishment,
8 licensed truck stop establishment, licensed fraternal
9 establishment, or licensed veterans establishment,
10 notwithstanding any agreement to the contrary. A video terminal
11 operator that violates one or more requirements of this
12 subsection is guilty of a Class 4 felony and is subject to
13 termination of his or her license by the Board.

14 (d) Licensed technician. A person may not service,
15 maintain, or repair a video gaming terminal in this State
16 unless he or she (1) has a valid technician's license issued
17 under this Act, (2) is a terminal operator, or (3) is employed
18 by a terminal operator, distributor, or manufacturer.

19 (d-5) Licensed terminal handler. No person, including, but
20 not limited to, an employee or independent contractor working
21 for a manufacturer, distributor, supplier, technician, or
22 terminal operator licensed pursuant to this Act, shall have
23 possession or control of a video gaming terminal, or access to
24 the inner workings of a video gaming terminal, unless that
25 person possesses a valid terminal handler's license issued
26 under this Act.

1 (e) Licensed establishment. No video gaming terminal may be
2 placed in any licensed establishment, licensed veterans
3 establishment, licensed truck stop establishment, or licensed
4 fraternal establishment unless the owner or agent of the owner
5 of the licensed establishment, licensed veterans
6 establishment, licensed truck stop establishment, or licensed
7 fraternal establishment has entered into a written use
8 agreement with the terminal operator for placement of the
9 terminals. A copy of the use agreement shall be on file in the
10 terminal operator's place of business and available for
11 inspection by individuals authorized by the Board.

12 (e-5) A licensed establishment, licensed truck stop
13 establishment, licensed veterans establishment, or licensed
14 fraternal establishment may operate up to 5 video gaming
15 terminals on its premises at any time. If a licensed
16 establishment, licensed truck stop establishment, licensed
17 veterans establishment, or licensed fraternal establishment
18 operates 5 video gaming terminals and averages \$175 or more per
19 day on those terminals, then the licensed establishment,
20 licensed truck stop establishment, licensed veterans
21 establishment, or licensed fraternal establishment may apply
22 to the Board for permission to operate a 6th video gaming
23 terminal.

24 (f) (Blank).

25 (g) Financial interest restrictions. As used in this Act,
26 "substantial interest" in a partnership, a corporation, an

1 organization, an association, a business, or a limited
2 liability company means:

3 (A) When, with respect to a sole proprietorship, an
4 individual or his or her spouse owns, operates, manages, or
5 conducts, directly or indirectly, the organization,
6 association, or business, or any part thereof; or

7 (B) When, with respect to a partnership, the individual
8 or his or her spouse shares in any of the profits, or
9 potential profits, of the partnership activities; or

10 (C) When, with respect to a corporation, an individual
11 or his or her spouse is an officer or director, or the
12 individual or his or her spouse is a holder, directly or
13 beneficially, of 5% or more of any class of stock of the
14 corporation; or

15 (D) When, with respect to an organization not covered
16 in (A), (B) or (C) above, an individual or his or her
17 spouse is an officer or manages the business affairs, or
18 the individual or his or her spouse is the owner of or
19 otherwise controls 10% or more of the assets of the
20 organization; or

21 (E) When an individual or his or her spouse furnishes
22 5% or more of the capital, whether in cash, goods, or
23 services, for the operation of any business, association,
24 or organization during any calendar year; or

25 (F) When, with respect to a limited liability company,
26 an individual or his or her spouse is a member, or the

1 individual or his or her spouse is a holder, directly or
2 beneficially, of 5% or more of the membership interest of
3 the limited liability company.

4 For purposes of this subsection (g), "individual" includes
5 all individuals or their spouses whose combined interest would
6 qualify as a substantial interest under this subsection (g) and
7 whose activities with respect to an organization, association,
8 or business are so closely aligned or coordinated as to
9 constitute the activities of a single entity.

10 (h) Location restriction. A licensed establishment,
11 licensed truck stop establishment, licensed fraternal
12 establishment, or licensed veterans establishment that is (i)
13 located within 1,000 feet of a facility operated by an
14 organization licensee licensed under the Illinois Horse Racing
15 Act of 1975 or the home dock of a riverboat licensed under the
16 Riverboat Gambling Act or (ii) located within 100 feet of a
17 school or a place of worship under the Religious Corporation
18 Act, is ineligible to operate a video gaming terminal. The
19 location restrictions in this subsection (h) do not apply if
20 (A) a facility operated by an organization licensee, a school,
21 or a place of worship moves to or is established within the
22 restricted area after a licensed establishment, licensed truck
23 stop establishment, licensed fraternal establishment, or
24 licensed veterans establishment becomes licensed under this
25 Act or (B) a school or place of worship moves to or is
26 established within the restricted area after a licensed

1 establishment, licensed truck stop establishment, licensed
2 fraternal establishment, or licensed veterans establishment
3 obtains its original liquor license. For the purpose of this
4 subsection, "school" means an elementary or secondary public
5 school, or an elementary or secondary private school registered
6 with or recognized by the State Board of Education.

7 Notwithstanding the provisions of this subsection (h), the
8 Board may waive the requirement that a licensed establishment,
9 licensed truck stop establishment, licensed fraternal
10 establishment, or licensed veterans establishment not be
11 located within 1,000 feet from a facility operated by an
12 organization licensee licensed under the Illinois Horse Racing
13 Act of 1975 or the home dock of a riverboat licensed under the
14 Riverboat Gambling Act. The Board shall not grant such waiver
15 if there is any common ownership or control, shared business
16 activity, or contractual arrangement of any type between the
17 establishment and the organization licensee or owners licensee
18 of a riverboat. The Board shall adopt rules to implement the
19 provisions of this paragraph.

20 (i) Undue economic concentration. In addition to
21 considering all other requirements under this Act, in deciding
22 whether to approve the operation of video gaming terminals by a
23 terminal operator in a location, the Board shall consider the
24 impact of any economic concentration of such operation of video
25 gaming terminals. The Board shall not allow a terminal operator
26 to operate video gaming terminals if the Board determines such

1 operation will result in undue economic concentration. For
2 purposes of this Section, "undue economic concentration" means
3 that a terminal operator would have such actual or potential
4 influence over video gaming terminals in Illinois as to:

5 (1) substantially impede or suppress competition among
6 terminal operators;

7 (2) adversely impact the economic stability of the
8 video gaming industry in Illinois; or

9 (3) negatively impact the purposes of the Video Gaming
10 Act.

11 The Board shall adopt rules concerning undue economic
12 concentration with respect to the operation of video gaming
13 terminals in Illinois. The rules shall include, but not be
14 limited to, (i) limitations on the number of video gaming
15 terminals operated by any terminal operator within a defined
16 geographic radius and (ii) guidelines on the discontinuation of
17 operation of any such video gaming terminals the Board
18 determines will cause undue economic concentration.

19 (j) The provisions of the Illinois Antitrust Act are fully
20 and equally applicable to the activities of any licensee under
21 this Act.

22 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-77,
23 eff. 7-15-13; 98-112, eff. 7-26-13; 98-756, eff. 7-16-14.)

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.